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Judge Clark 25X1

19 October 1982

NOTE FOR: DCI [REDACTED] JCS review completed.
 THROUGH: [REDACTED]
 FROM: NIO/LA

SUBJECT: Topics for Your Meeting with Judge Clark, 20 October 1982

Mexico:

--some potentially good news is that IMF agreement may be signed

-- [REDACTED]

--I do not yet regard this as confirmed but view this as a good omen.

Central America -- the need for an objective, independent assessment of implementation to date.

--Much progress has been made but implementation of the President's directives [REDACTED] has -- in my view been uneven and inadequate.

--In my judgment, there has been no genuine in-depth NSC-level review of implementation during 1982 [REDACTED]

--An NSC process in which the Assistant Secretary of State (ARA) who is the key implementor also serves as the focal point for "assessment" has simply not provided the President with an independent judgment.

--Note the 2 September 1982 memo from Carlucci to Schultz which makes this point.

--Note the US Southcom report to JCS which is the only overall assessment effort I have seen and which describes many positive steps is highly critical, stating for example:

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"The mechanisms required for implementation of the strategic programs necessary to support policy are largely uncoordinated and result in a failure to maximize the USG effort."

"Threat is substantial . . . El Salvador alone cannot win the struggle against an externally support insurgency."

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Central America -- the instrumental use of negotiations by the extreme left

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--My suggestion is that Judge Clark receive a briefing on this general topic since we can expect much more Cuban/extreme left political activity in the next months.

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ATTACHMENT A

POINT PAPER

I. Introduction

The Third World encompasses some 125 countries and more than two billion people. It is a major area of competition between the democratic countries and the Soviet Bloc.

The Third World is a major part of one of the 13 broad intelligence challenges examined in the 1985 Intelligence Capabilities Study which has been endorsed by the President and the National Security Council as an appropriate blueprint for the Intelligence Community.

The major intelligence producers have identified the Third World as the topic of first priority for new initiatives. This was reflected in my FY 1984 guidance.

Because of severe budget constraints, decisions were made in the early 1970s to concentrate the collection, analysis, and production efforts of the Intelligence Community only on the highest priority targets. Among other necessary cutbacks in personnel and resources, the National Intelligence Survey was discontinued. That was the mechanism for documenting finished analysis, and providing comprehensive data on just about all Third World countries.

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As a result of those early decisions, the Intelligence Community's current and projected capability to respond meaningfully to the challenge of this goal needs to be improved.

II. Importance of the Third World

A. Third World Relationships Are of Increasing Interest and Concern to the US

There is a potential for: a) political and military involvement; b) impact on the availability of vital resources; and c) economic effects and consequences.

1. Latin America

- a. Mexico's economy is in crisis and its political system under severe stress.
- b. Nicaragua is a partner with ^{and the USSR} Cuba in exporting subversion in Central America. It is also continuing a military buildup which threatens its neighbors. Increasing numbers of Nicaraguans are now exiles in Honduras, Costa Rica, and other neighboring countries. Some are acting to bring down the Communist dictatorship now being consolidated.
- c. Guerrilla activity in Guatemala has increased and continues as a major threat in El Salvador; however, some positive political events have occurred in both countries.

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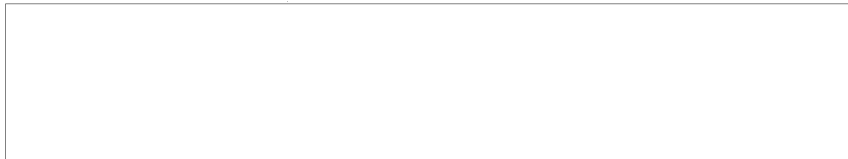
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- d. A Cuban/Nicaraguan-sponsored insurgency is developing in Honduras, while Panama may also be threatened by their destabilization efforts.
- e. International financial pressures resulting from \$250 billion of Latin American foreign debts are looming as an ever larger economic, and in some countries political, threat.
- f. On the brighter side, the restoration of democratic government in several countries (Honduras, Dominican Republic, Ecuador, Peru, and Bolivia) and continuing democratization in others (Brazil and Uruguay) are positive trends.

2. Sub-Saharan Africa

- a. Political future of Namibia
- b. Libyan-led subversion and insurgency:
 - Libya has entered into a pact with Ethiopia and South Yemen to threaten Sudan, Somalia, and to some extent North Yemen.
 - Libya also has longer term designs in West Africa, threatening Niger, Mali, and Togo, seeking influence in Ghana, and using Benin as a base for subversion in the region.

3. Middle East-South Asia



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b.

- c. Iran is becoming more of a factor in regional unrest in the Persian Gulf area, and the Iran-Iraq War presents a continual unpredictable element.
- d. Nuclear proliferation problems, especially in Pakistan and India, increase the probability of imminent crises.
- e. The Soviet occupation and pacification effort in Afghanistan continues.

4. East Asia

- a. The military stalemate in Kampuchea has led to increased maneuvering among Communist and non-Communist regimes.
- b. China-US relations remain heavily influenced by Taiwan.
- c. The Soviets are pursuing normalization of relations with China.

B. Soviet Influence

1. Arms Sales

- a. The Third World market is large
- b. Fed by regional instability

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- c. Most important aspect of Soviet influence in Third World

- Not able to provide same kind of economic or transfer technology aid as the US

- 2. Growing numbers of military advisors (now about 16,000 in Third World countries.)
- 3. Combination of diplomacy and subversion
 - a. Conflict, tension, and instability in the Third World are increased by Soviet supported subversion, and offer opportunities for that approach to succeed.
 - b. Numerous opportunities for Soviets to move in; e.g., continued tension between Ethiopia and Somalia; in South America where Soviets use surrogates, e.g., Cuba, to exploit unrest; and the repercussions in Syria of the Lebanon War.
 - c. Of 8,000 Soviets in official positions in the Third World, 2,000 are GRU and KGB agents.

III. The Task

Those of you assigned to geographic panels are charged with an important task: to identify Third World countries of vital and moderate importance to the United States as targets of continuing high interest--and to provide a rationale for your selections. You are also to collaborate on your corporate view of the problems, issues, and trends that are likely to affect US security in the next five to ten years involving those areas.

You will hear some important briefings during these two days
which should aid your choices.

I look forward to the results.